

HOUSE BILL 2874
By Windle

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 35, Part 2, relative to retirement.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-35-216, is amended by adding the following new subsections:

(f) Former employees of the Tennessee Appalachia Education Cooperative who were not teachers shall be eligible for membership in the Tennessee consolidated retirement system at the option of the chief legislative body of county or counties in which such cooperative was located, upon satisfying the provisions of the following subdivisions:

(1) The chief legislative body of the county shall pass a resolution authorizing an actuarial study to determine the liability associated with such membership and prior service, and accepting responsibility for the costs of such study;

(2) Following receipt of the actuarial study, the county legislative body shall adopt a resolution approved by a two-thirds (2/3) majority of the legislative body authorizing membership and prior service for such employees and accepting the liability therefor; and

(3) An employee establishing such prior service must make a lump sum payment equal to the employee contributions such employee would have made had such employee been a member of the system during the period claimed, plus interest at the rate provided in § 8-37-214.

(g) (1) Upon becoming a vested member of the Tennessee consolidated retirement system, any former employee of the Tennessee Appalachia Education Cooperative who was not a teacher shall be eligible to establish retirement credit for such time such employee was employed by such cooperative if the following conditions are met:

(A) The county has by a two-thirds (2/3) majority of its legislative body approved a resolution as provided in subsection (f);

(B) The county in which the cooperative was located at its option approves by a two-thirds (2/3) majority of its legislative body a resolution authorizing an actuarial study to determine the liability associated with such prior service, and in such resolution the county accepts responsibility for the costs of such study; and

(C) Following receipt of the actuarial study, the county adopts a resolution approved by a two-thirds (2/3) majority of the legislative body authorizing prior service for such employee and accepts the liability for such service.

(2) Any employee establishing such prior service must make a lump sum payment equal to the employee contributions such employee would have made had such employee been a member of the retirement system during the period claimed, plus interest at the rate provided in § 8-37-214.

(3) The retirement system shall not be liable for the payment of retirement allowances or other benefits on account of such employee or such employee's beneficiaries for which reserves have not been previously created from funds contributed by the county and/or by or on behalf of such employee.

(4) It is the legislative intent that the state shall realize no increased cost as a result of this section. All costs associated with retirement coverage, including administrative costs, shall be the responsibility of the county legislative body.

(h) Retirement benefits payable on service established pursuant to this section shall be computed in accordance with the provisions of chapter 36 of this title. In no event shall the benefit payable on such service exceed that provided under § 8-36-209(a)(1)(A) or (B),

depending upon which option is exercised by the chief legislative body. Such benefit is subject to the limitations of § 8-36-102.

(i) Service pursuant to this section shall be independent of all other creditable service for the purpose of calculating the member's average final compensation.

(j) For the purposes of determining the limitations on the amount of the retirement allowance as provided in § 8-36-102, the average final compensation for service granted pursuant to this section shall be independent of the average final compensation calculation on any other creditable service in the retirement system.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

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